



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 7

11201 Renner Boulevard  
Lenexa, Kansas 66219

AUG 22 2013

Ms. Carol R. Eighmey, Executive Director  
Missouri Storage Tank Insurance Fund  
P.O. Box 836  
Jefferson City, Missouri 65102

RE: Final Annual Soundness Snapshot and Assessment of the Missouri  
Petroleum Storage Tank Insurance Fund (2012 Assessment)

Dear Ms. Eighmey:

Enclosed is the final report for the fund assessment that took place in 2012. The Missouri Petroleum Storage Tank Insurance Fund (PSTIF) was found to be sound. Our 2013 assessment will commence in the next few months. With the lessons learned from the 2012 assessment, we believe the 2013 assessment will be performed and completed in a more timely and efficient manner.

We greatly appreciate the efforts of your staff in assisting the USEPA with this review. We recognize PSTIF's active involvement through the years in assisting with the development of a fund soundness assessment process and appreciate the volunteer efforts during the 2012 pilot program. We also recognize PSTIF's thorough fiscal data management which allowed for an efficient assessment process. If you have any questions or comments please contact us at (913) 551-7487 ([weber.rebecca@epa.gov](mailto:weber.rebecca@epa.gov)), (913) 551-7936 ([stockdale.margaret@epa.gov](mailto:stockdale.margaret@epa.gov)) or (913) 551-7299 ([drouare.douglas@epa.gov](mailto:drouare.douglas@epa.gov)).

Sincerely,

A handwritten signature in black ink, appearing to read "Rebecca Weber", is positioned above the typed name.

Rebecca Weber, Director  
Air & Waste Management Division

Enclosure

cc: Ms. Leanne Tippet Mosby  
Mr. Ken Koon



Printed on Recycled Paper



## ANNUAL SOUNDNESS SNAPSHOT AND ASSESSMENT OF THE MISSOURI STATE FUND

U.S. Environmental Protection Agency Region 7

State of Missouri

July, 2013 (Performed in 2012)

### Introduction

EPA annually reviews and assesses the soundness of state cleanup funds established to fulfill the federal financial responsibility requirement for owners/operators of federally regulated underground storage tanks. Our 2012 annual review and assessment of the Missouri state fund known as the Petroleum Storage Tank Insurance Fund (PSTIF) follows below.

### Annual Assessment of Missouri State Fund

The data does not indicate a need to raise concerns regarding fund soundness at this time. Changes in fund revenue or legislative changes that could materially affect the fund could cause us to revisit the situation prior to the 2013 review cycle.

Missouri is getting the job done but can do better. EPA would like to discuss with MO whether the fund's significant end of year balances could be utilized for increased LUST corrective action activities or projects that would assist with decreasing backlog. A review of the data has indicated symptoms of procedural issues in interactions with other parties in the MO LUST community (MDNR, consultants, owners/operators) that extend pipeline timelines and increase the backlog, but these appear to be having little impact on the soundness of the fund and are best addressed via our annual state program reviews.

### Next Steps

EPA would like to discuss with the fund whether the fund's significant end of year balances could be utilized to increase UST corrective action activities or projects that would assist with decreasing cleanup pipeline times and further reducing the number of open FRFE cleanups.

Region 7 will collaborate with the PSTIF, MDNR and the MO LUST cleanup community to discuss plans for increasing activities and/or facilitating an efficiency evaluation process. The results of these efforts would be considered in EPA's state FY13 annual review of the PSTIF.

### Is the fund financed to further reduce its FRFE backlog?

The share of Missouri's federally regulated USTs covered by the PSTIF (by percentage) has been relatively stable during FY 10 – FY 12. PSTIF provides financial assurance for approximately 75% of the FR UST's in MO. There has been a slight decrease in total federally regulated (FR) and federally regulated, fund eligible (FRFE) tanks (1% to 2% each year). PSTIF is paying claims on approximately 57% of open FRFE cleanups for any given year and has the funds to pay claims on additional FRFE cleanups. This may be an indicator of a significant number of inactive FRFE cleanups and corresponding backlog issue. EPA would like to discuss this further. Although differences of accounting for sites exist between PSTIF and the MDNR, it is safe to say PSTIF covers greater than 90% of the UST cleanup backlog.

The state is addressing its backlog at a gradual pace (1,153 open FRFE cleanups in FY 10, 1,034 in FY 11 and 964 in FY 12) with an average cleanup project taking more than seven years to complete. This average time may be influenced by problematic sites that by their nature take a very long time to characterize and remediate. The number of FRFE cleanups completed has declined from 194 in FY 10 to 158 in FY 11 and 131 in FY 12. A general decline in these performance measures is likely influenced by inefficiencies in Missouri's tank program (see paragraph 2 above).

PSTIF's money available to spend on FRFE cleanups decreased from FY 10 to FY 12, but the fund's end of year balances are consistently well over 300% of its annual spending. As mentioned above, EPA would like to discuss with the fund whether the fund's significant end of year balances could be utilized to increase UST corrective action activities or projects that would assist with decreasing cleanup pipeline times and further reducing the number of open FRFE cleanups. Given the large end of year balances (almost 70 million dollars for FY 12), it does not appear that improved efficiencies and an increase in the number of active cleanups would put the fund at risk financially.

## Background

### What the fund covers

Under the Revised Statutes of Missouri (RSMo), Sections 319.100, .129, .133 and .138 and Missouri Code of State Regulation (CSR), Title 10, Division 100, the PSTIF will provide to participating owners or operators, coverage for release response and corrective action, as identified in 40 CFR Part 280, Subpart F (2000), and for compensation of third parties (subject to certain limitations) for bodily injury and property damage caused by accidental releases arising from operating regulated petroleum product USTs not to exceed \$1.0 million per occurrence with an annual aggregate limit of \$2.0 million.

The PSTIF applied for and was granted EPA approval for fulfilling the federal financial responsibility regulations for USTs in August, 1989. Missouri UST owner/operators may opt to meet the financial responsibility requirement using alternative FR mechanisms subject to review and approval by the state of Missouri on a case-by-case basis.

Under RSMo 319.131.4 the deductible is \$10,000 per occurrence for release response and corrective action costs and third party liability claims.

### Eligibility requirements and determination of eligibility

Owner/operator must be in compliance with all requirements to receive disbursement from the fund. Eligibility criteria include the following considerations. Petroleum and used oil underground and aboveground storage tanks that are regulated by the state are eligible. If the tank has fuel in it, the owner/operator must apply annually for coverage and document compliance with state regulations and must have coverage on the day a release occurs or is confirmed. If the tank is empty, it had to have been reported to the state and emptied prior to December 31, 1997. Non-regulated tanks are not eligible for coverage from the Fund, and include the following: current and former refinery sites, pipelines, marine terminals and hazardous substance UST's.

An eligible tank "Owner" includes any person who owns a regulated UST in use on or after August 28, 1989, and any person who owned a regulated UST just prior to discontinuation of its use if not in use on August 28, 1989. The definition is the same for ASTs, except the effective date is August 28, 1996. The term does not include any person who, without participating in the management of an UST or AST, and otherwise not primarily engaged in petroleum production, refining, and marketing, holds indicia of ownership primarily to protect a security interest in or lien on the tank or the property where the tank is located.

To have coverage from the Fund, an UST owner/operator must annually demonstrate compliance with all state regulations, including: (1) Leak detection records appropriate for the size/type of tank system; (2) Evidence that pressurized lines are equipped with line leak detectors which are in working order, (unless the entire UST system is a double-wall system); (3) Evidence that monitoring devices are adequate to detect a leak; (4) Evidence that the cathodic protection system, if any, is functioning properly; (5) Evidence that the tank lining, if any, has been properly installed and inspected; and (6) Evidence that the UST is equipped with corrosion protection and spill/overflow prevention devices.

For a tank with product in it, the owner/operator must be participating in the fund (i.e., have coverage) on the day a release is confirmed. For tanks taken out of use by December 31, 1997, the date of release is irrelevant.

#### Organizational setting and structure of the fund

An eleven-member Board of Trustees manages the PSTIF. They work to ensure that fund monies are effectively used to clean up the environment; that fund participants receive timely, professional services and that the fund's resources are economically used in order to benefit the maximum number of Missourians.

Eight trustees are appointed by the Governor with the advice and consent of the Senate. The other three are designated officials from executive branch agencies. The Board of Trustees is required to meet at least four times a year, and is currently meeting every other month in Jefferson City or Columbia, Missouri.

#### Sources and path of fund income

Annual participation fees are paid by owners/operators who choose to use the PSTIF for their Financial Responsibility mechanism that year: One-hundred dollars (\$100/year) for a double-wall or secondary containment tank and piping system and One-hundred twenty-five dollars (\$125/year) for other types of USTs. In addition, a transport load fee is assessed on all petroleum products used within the state. As of September, 2012, the fee is \$20 per 8,000 gallons (\$0.0025 per gallon) (10 CSR 100-3.010). The amount that can be spent each year is subject to legislative appropriation.

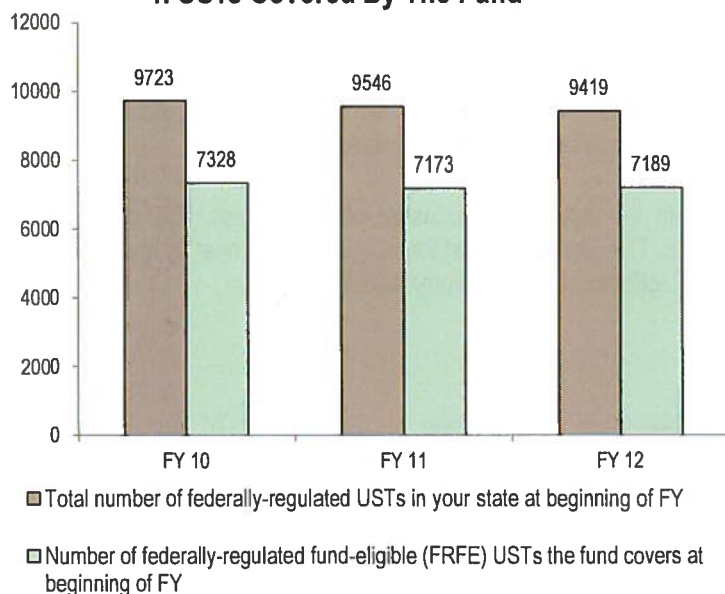
#### **Changes to the Fund**

The Missouri legislature enacted and the governor signed a bill giving the PSTIF Trustees responsibility for deciding whether to "create and fund" an UST Operator Training Program. On July 25, 2012, the Board voted to do so. This will be a new cost the PSTIF will incur in coming years.

There is lawsuit involving PSTIF and the City of Harrisonville, Missouri where a multi-million dollar award from the PSTIF to the City was recorded. However, the case is currently under appeal and no financial impacts to the PSTIF have been incurred as of the date of this snapshot.

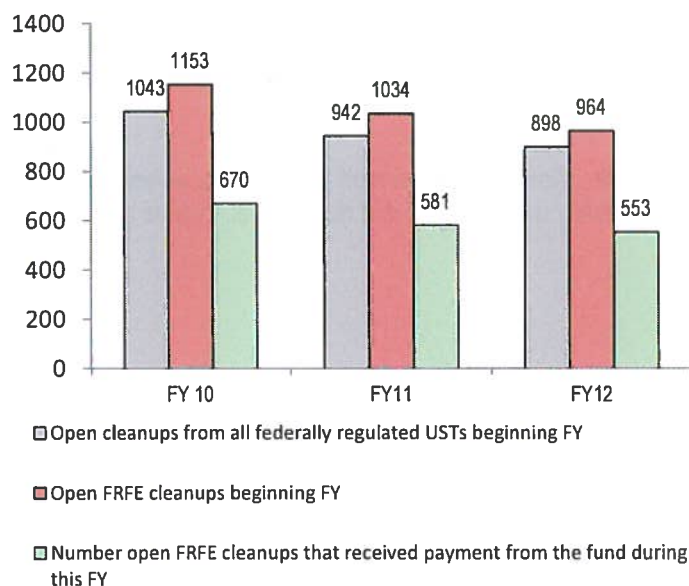
## What share of the state's UST cleanup backlog does the fund cover?

### 1. USTs Covered By The Fund



Trends across and within fiscal years have been relatively consistent. Slow decline over time in FR population and relatively flat FRFE population. Consistently, approximately 2300 to 2500 FR UST's that are not FRFE.

### 2. The Fund's Share Of Open UST Cleanups

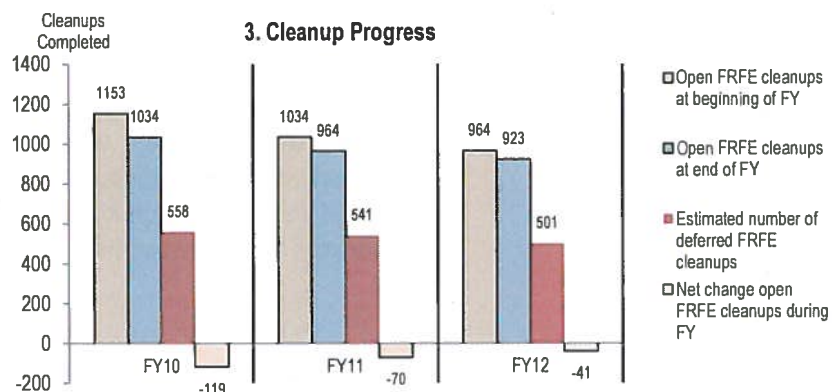


Consistent but slow decline in open cleanups for both FR and FRFE UST's. FRFE cleanups exceed all open cleanups (data provided by MDNR) due to PSTIF counting unconfirmed releases and sites that have not been assigned a release number. Number of open FRFE cleanups that received a payment during the FY is consistently 50% to 60% of the open FRFE cleanups. This may be an indicator of a significant number of FRFE sites where no activities are being performed.

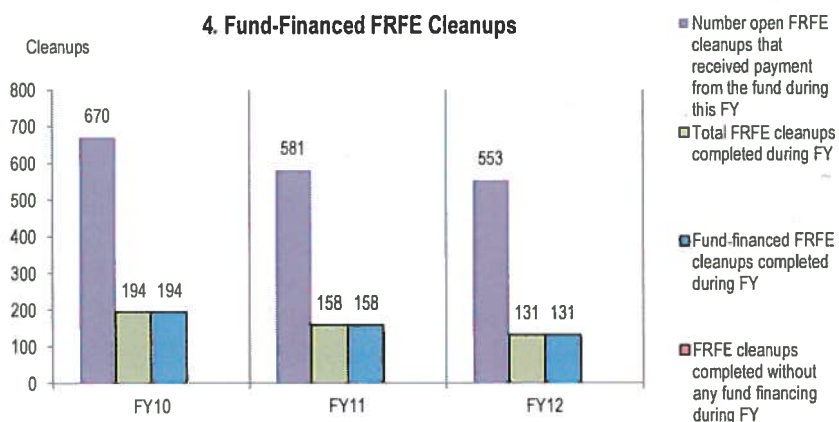
PSTIF provides financial assurance for approximately 75% of the FR UST's in MO. PSTIF is paying claims on approximately 57% of open FRFE cleanups for any given year. This may be an indicator of a significant number of inactive FRFE cleanups and corresponding backlog/project procedural issues. Although differences of accounting for sites exist between PSTIF and the MDNR, it is safe to say PSTIF covers greater than 90% of the UST cleanup backlog.



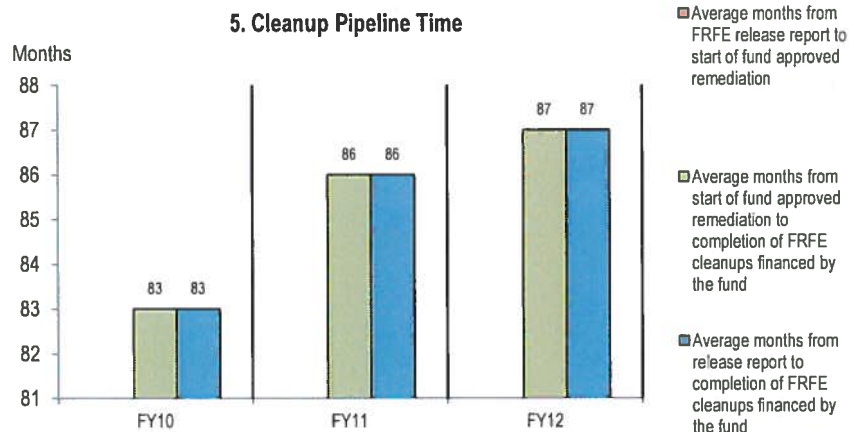
## How quickly is the fund addressing its FRFE backlog?



Consistent but slow reduction in number of open FRFE UST's. Consistent and significant number of deferred FRFE UST's. Reduction of open FRFE UST's is slowing over the last three years.



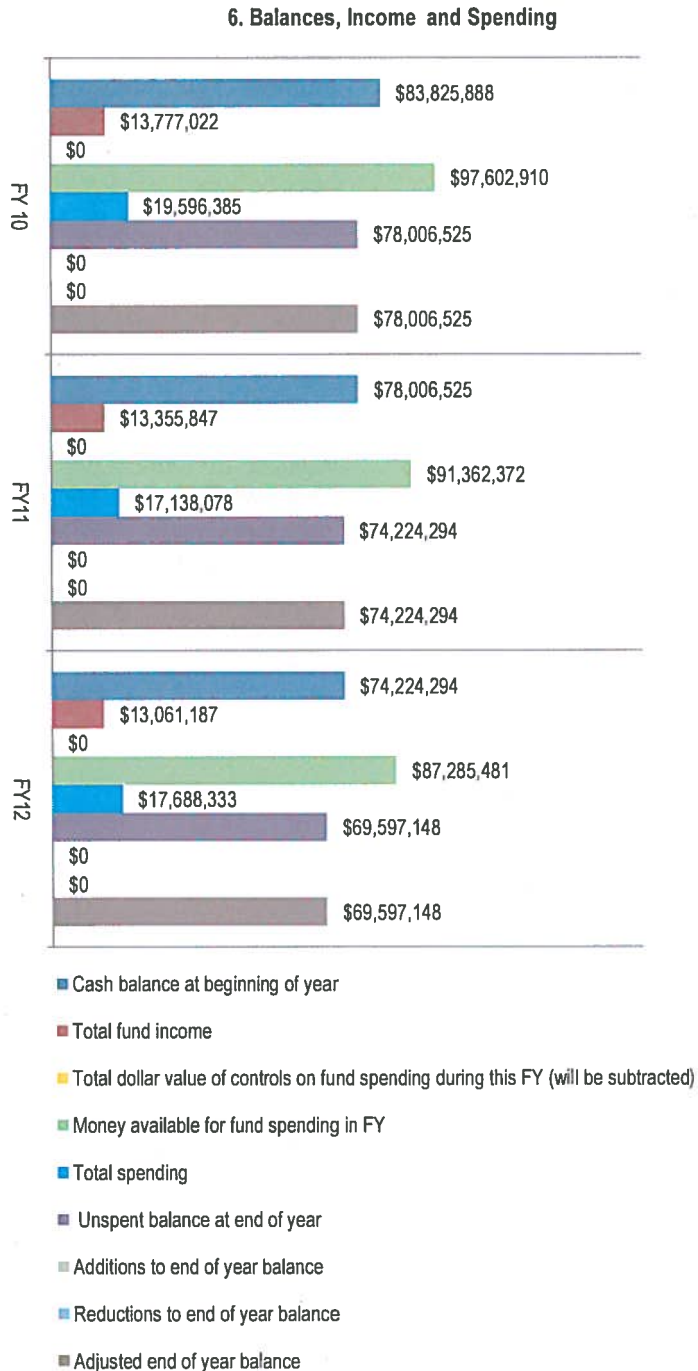
Number of FRFE UST cleanups completed have declined over the past three years. PSTIF did not report data for FRFE cleanups completed without fund assistance: will need to make inquiries with them to determine why.



Cleanup pipeline is approximately 7+ years long and has been slowly increasing over time. PSTIF did not report data for months from release report to start of fund approved remediation. This is dependent largely on the MDNR's involvement and deductible related issues: may need to make some inquiries with the MDNR on this issue.

The state is addressing its backlog at a slow pace with an average cleanup project taking more than seven years to complete. This average time may be influenced by problematic sites that by their nature take a very long time to characterize and remediate.

## Has the fund had enough money to address its FRFE backlog



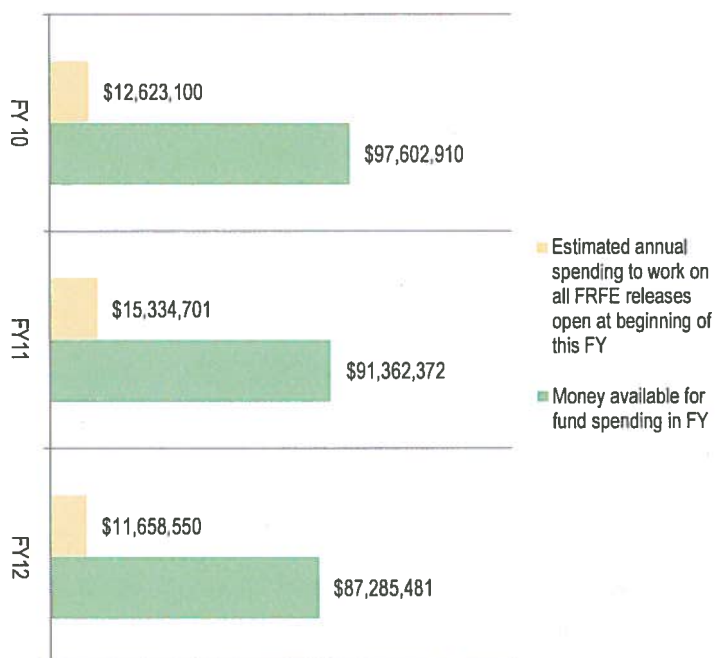
Fund financial resources appear stable and more than adequate to address the trending work load exhibited in the previous graphs. Financial resources appear adequate to address an increase in the work load.

Overall, the fund's end of year balances are significantly higher than annual costs. Annual fund accruals have been reduced slightly over this three year time period. Reduction appears commensurate with reductions in tank population and the accompanying fees going into the fund. There is significant financial latitude to increase the number and speed of cleanups.



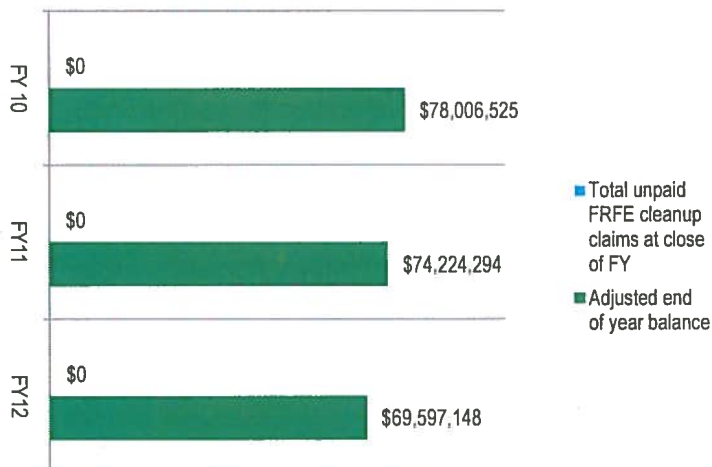
## Has the fund had enough money to address its FRFE backlog?

7. Available Funding And Estimated Annual Funding To Address All Open FRFE Sites Concurrently



Fund financial resources appear stable and more than adequate to address the trending work load exhibited in the previous graphs. Financial resources appear adequate to address an increase in the work even though steps have been taken by the state to slightly reduce income to the fund.

8. EOY Cash Balance And Unpaid Claims



PSTIF reports no unpaid claims except those that are currently under review by their adjusters and within the time frames allowed by their processing guidelines. PSTIF also indicates no unpaid claims due to lack of funds. This does not include unpaid claims resulting from a negative eligibility determination by PSTIF.

Overall, the fund's end of year balances are significantly higher than annual costs. This is done deliberately to show financial assurance that it's projected cleanup/financial responsibilities are met. Annual fund accruals have been reduced slightly over this three year time period. Reduction appears commensurate with reductions in tank population and the accompanying fees going into the fund. In addition, PSTIF has made changes to their fee collection schedule in an attempt to keep their fund balance below statutory limits (\$100,000,000). There is significant financial latitude to increase the number and speed of cleanups.





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 7

11201 Renner Boulevard  
Lenexa, Kansas 66219

JUL 17 2014

Ms. Carol R. Eighmey, Executive Director  
Missouri Storage Tank Insurance Fund  
P.O. Box 836  
Jefferson City, Missouri 65102

RE: FINAL ANNUAL SOUNDNESS SNAPSHOT AND ASSESSMENT OF THE MISSOURI  
PETROLEUM STORAGE TANK INSURANCE FUND (2013 ASSESSMENT)

Dear Ms. Eighmey:

Enclosed is the final report for the 2013 fund assessment that took place in 2013/2014. The Missouri Petroleum Storage Tank Insurance Fund was found to be sound. Our 2014 assessment will commence in the next few months.

We greatly appreciate the efforts of your staff in assisting the USEPA with this assessment and recognize PSTIF's active involvement through the years in assisting with the development of the fund soundness assessment process and PSTIF's thorough, fiscal data management which facilitated the efficient completion of the assessment. If you have any questions or comments please contact either me at (913) 551-7487, email [weber.rebecca@epa.gov](mailto:weber.rebecca@epa.gov), Margaret Stockdale at (913) 551-7936, email [stockdale.margaret@epa.gov](mailto:stockdale.margaret@epa.gov) or Douglas Drouare at (913) 551-7299, email [drouare.douglas@epa.gov](mailto:drouare.douglas@epa.gov).

Sincerely,

A handwritten signature in black ink, which appears to read "Becky Weber", is positioned above the typed name.

Becky Weber  
Director  
Air and Waste Management Division

Enclosure

cc: Ms. Leanne Tippet Mosby, MDNR  
Mr. Ken Koon, MDNR



Printed on Recycled Paper



## 2013 SOUNDNESS SNAPSHOT AND ASSESSMENT OF THE MISSOURI STATE FUND

### U.S. Environmental Protection Agency Region 7

#### State of Missouri

(Performed in 2014)

## Introduction

EPA annually reviews and assesses the soundness of state cleanup funds established to fulfill the federal financial responsibility requirement for owners/operators of federally regulated underground storage tanks. Our 2013 annual review and assessment of the Missouri state fund known as the Petroleum Storage Tank Insurance Fund (PSTIF) follows below.

## Annual Assessment of Missouri State Fund

The data indicates that the Missouri PSTIF is sound. Changes in fund revenue or legislative changes that could materially affect the fund could cause us to revisit the situation prior to the 2014 review cycle.

The pace of cleanups in Missouri needs to improve, which would result in more of the fund's significant end of year balances could be utilized for LUST corrective actions/backlog reduction. On February 14, 2014, USEPA, Region 7 staff met with representatives of the Missouri Department of Natural Resources (MDNR) and PSTIF and were presented with a draft copy of a "Joint DNR/PSTIF Plan for Addressing Missouri's LUST Backlog". Subsequently, the plan was finalized, signed by both agencies, and provided to USEPA, Region 7. This plan presents methods for addressing efficiency/output/outcome concerns raised during our 2012 program review (LUST corrective action component) and the corresponding use of available funds.

### Next Steps

EPA would like to continue to discuss with MO (PSTIF & MDNR) their joint backlog reduction plan, its implementation and corresponding use of available funds. The results of these discussions and MO's plan implementation efforts would be considered in EPA's future, annual reviews of the PSTIF.

## Is the fund financed to further reduce its FRFE backlog?

The share of Missouri's federally regulated USTs covered by the PSTIF (by percentage) has been relatively stable during FY 11 – FY 13. PSTIF provides financial assurance for ~80% of the FR UST's in MO (Bar Graph 1). There has been a slight decrease in total federally regulated (FR) and federally regulated, fund eligible (FRFE) tanks (1% to 2% each year – Bar Graph 1). It should be noted that the data on Bar Graph 1 represents only tanks that are "in use". It does not include out of use/temporarily closed tanks of which there are ~800 (MDNR estimate). It is estimated that ~80% of those tanks are also PSTIF eligible. PSTIF is disbursing funds for approximately 51% of open FRFE UST cleanups for any given year and has the funds to pay claims on additional FRFE UST cleanups (Bar Graph 2). This percentage is trending downward over the past several years. There are a number of reasons why there may not be a fund disbursement for a particular fiscal year (work performed but no invoices submitted, no responsible party, no work performed, site access difficulties, delays caused by third parties, etc.). However, this may also be an indicator of inefficiencies/inactive cleanups that the aforementioned joint backlog reduction plan is designed to address. Data queries performed by the PSTIF indicate that ~78% of MO's cleanup backlog is eligible for PSTIF benefits.

The state is addressing its backlog at a gradual but slowing pace (1,034 open FRFE cleanups in FY 11, 964 in FY 12 and 923 in FY 13 – Bar Graph 3) with an average cleanup project taking more than seven years to complete (Bar Graph 5). This average time may be influenced by problematic sites that by their nature take a very long time to characterize and remediate. The number of FRFE UST cleanups completed annually is declining over time (158 in FY 11, 131 in FY 12 and 130 in FY 13 (Bar Graph 4) which may indicate inefficiencies in Missouri's tank program that they hope to address via the joint backlog reduction plan.

PSTIF's money available to spend on FRFE UST cleanups decreased from FY 11 to FY 13, but the fund's end of year balances are consistently over 300% of its annual spending (Bar Graph 6). The available fund balance is greater than estimated annual spending (Bar Graph 7). Cleanup costs appear stable at ~\$100,00/site (Bar Graph 7a). There are no unpaid claims due to lack of funds (Bar Graph 8). Given the large end of year balances (over 66 million dollars for FY 13), it does not appear that improved efficiencies in Missouri's cleanup process and/or an increase in the number of active cleanups would put the fund at risk financially.

## Background

### What the fund covers

Under the Revised Statutes of Missouri (RSMo), Sections 319.100, .129, .133 and .138 and Missouri Code of State Regulation (CSR), Title 10, Division 100, the PSTIF provides participating owners/operators with coverage for release response and corrective action, as identified in 40 CFR Part 280, Subpart F (2000), and coverage for compensation of third parties (subject to certain limitations) for bodily injury and property damage caused by accidental releases arising from operating regulated petroleum product USTs not to exceed \$1.0 million per occurrence with an annual aggregate limit of \$2.0 million.

Missouri applied for and was granted EPA approval for fulfilling the federal financial responsibility regulations for USTs in November, 1994. Missouri UST owner/operators may opt to meet the financial responsibility requirement using alternative FR mechanisms subject to review and approval by the state of Missouri on a case-by-case basis. Under RSMo 319.131.4 the deductible is \$10,000 per occurrence for release response and corrective action costs.

### Eligibility requirements and determination of eligibility

Owners/operators of petroleum and used oil underground and aboveground storage tanks that are regulated by the state are eligible to participate in the fund. If the tank has fuel in it, the owner/operator must apply annually for coverage and document compliance with state regulations and must have coverage on the day a release occurs or is confirmed. If the tank is empty, it had to have been reported to the state and emptied prior to December 31, 1997 or the owner/operator had to have been participating in the fund while the tank was in use and purchased an extended reporting period endorsement when they emptied the tank(s). Non-regulated tanks are not eligible for coverage from the Fund, and include the following: current and former refinery sites, pipelines, marine terminals and hazardous substance UST's.

Typically, an eligible tank "owner" includes any person who owns a regulated UST in use on or after August 28, 1989, and any person who owned a regulated UST just prior to discontinuation of its use if not in use on August 28, 1989. The definition is the same for ASTs, except the effective date is August 28, 1996. The term does not include any person who, without participating in the management of an UST or AST, and otherwise not primarily engaged in petroleum production, refining, and marketing, holds indicia of ownership primarily to protect a security interest in or lien on the tank or the property where the tank is located. There are eligibility caveats where a non-"owner" may be fund eligible.

To have coverage from the Fund, an UST owner/operator must annually demonstrate compliance with all state regulations, including: (1) Leak detection records appropriate for the size/type of tank system; (2) Evidence that pressurized lines are equipped with line leak detectors which are in working order, (unless the entire UST system is a double-wall system); (3) Evidence that monitoring devices are adequate to detect a leak; (4) Evidence that the cathodic protection system, if any, is functioning properly; (5) Evidence that the tank lining, if any, has been properly installed and inspected; and (6) Evidence that the UST is equipped with corrosion protection and spill/overfill prevention devices.



For a tank with product in it, the owner/operator must be participating in the fund (i.e., have coverage) on the day a release is confirmed. For tanks taken out of use by December 31, 1997, the date of release is irrelevant.

#### Organizational setting and structure of the fund

The PSTIF is an independent, state entity separate from the UST/LUST regulatory agency. An eleven-member Board of Trustees manages the PSTIF. The trustees work to ensure that fund monies are effectively used to clean up the environment; that fund participants receive timely, professional services and that the fund's resources are economically used in order to benefit the maximum number of Missourians.

Eight trustees are appointed by the Governor with the advice and consent of the Senate. The other three are designated officials from executive branch agencies. The Board of Trustees is required to meet at least four times a year, and is currently meeting every other month in Jefferson City or Columbia, Missouri.

#### Fund income, interest and unspent cash balance

Annual participation fees are paid by owners/operators who choose to use the PSTIF for their Financial Responsibility mechanism that year: One-hundred dollars (\$100/year) for a double-wall or secondary containment tank and piping system and One-hundred twenty-five dollars (\$125/year) for other types of USTs. In addition, a transport load fee is assessed on all petroleum products used within the state. These fees are remitted monthly with other petroleum fees and taxes to the Missouri Department of Revenue, who deposits the transport load fee into a special trust fund in the State Treasury. As of September, 2012, the fee is \$20 per 8,000 gallons (\$0.0025 per gallon) (10 CSR 100-3.010). The amount that can be spent each year is subject to legislative appropriation. Interest is retained in the trust fund and unspent balances remain in the trust fund at the end of each fiscal year. Monthly financial reports, consisting of a balance sheet and income statement, are posted to the Fund's website. An actuarial study is commissioned biannually and an annual audit is performed by an outside auditor.

#### Changes to the Fund

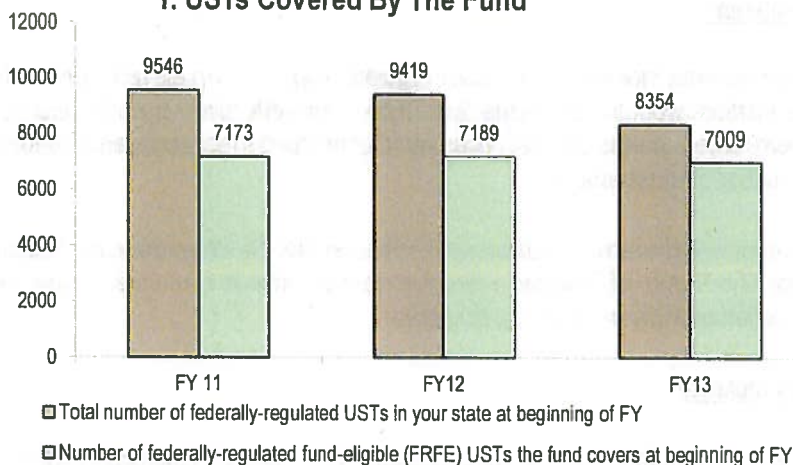
The Missouri legislature enacted and the governor signed a bill giving the PSTIF Trustees responsibility for deciding whether to "create and fund" an UST Operator Training Program. On July 25, 2012, the Board voted to do so and Missouri has begun creating its operator training program. Plans are to make the training available on the internet in mid-2014. This will be a new but minor cost the PSTIF will incur in coming years.

The previously reported, multi-million dollar lawsuit involving PSTIF and the City of Harrisonville, Missouri, is currently under appeal and no financial impacts to the PSTIF have been incurred as of the date of this snapshot.



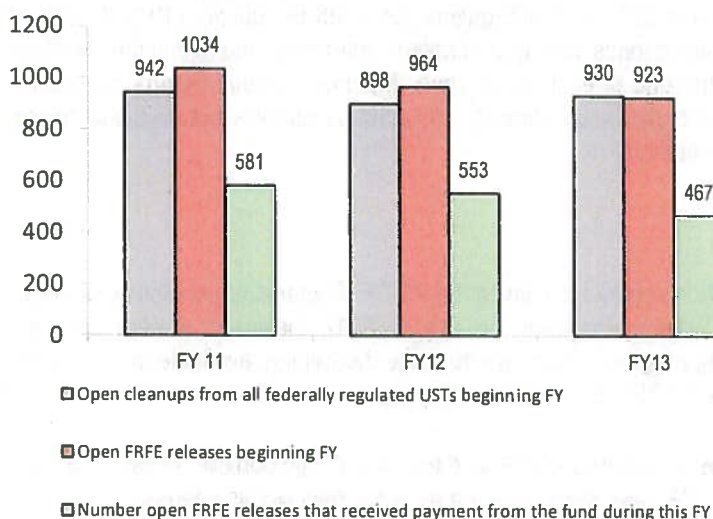
## What share of the state's UST cleanup backlog does the fund cover?

### 1. USTs Covered By The Fund



Trend across fiscal years had been relatively consistent. Slow decline over time in FR population and relatively flat FRFE population. 180 fewer FRFE sites in FY 13 than in FY 12. Consistent percentage of UST's that are not FRFE.

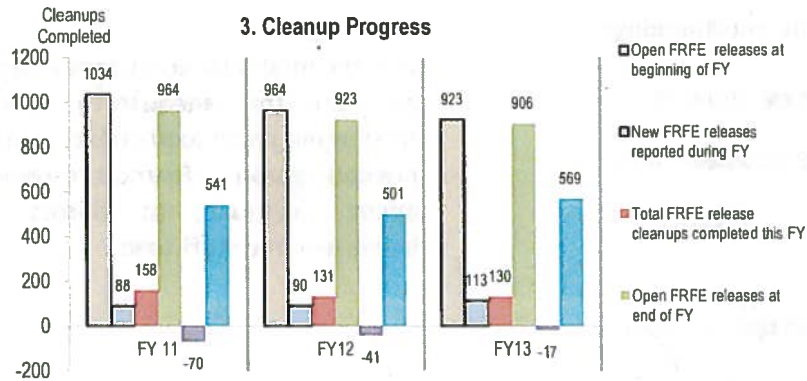
### 2. The Fund's Share Of Open UST Cleanups



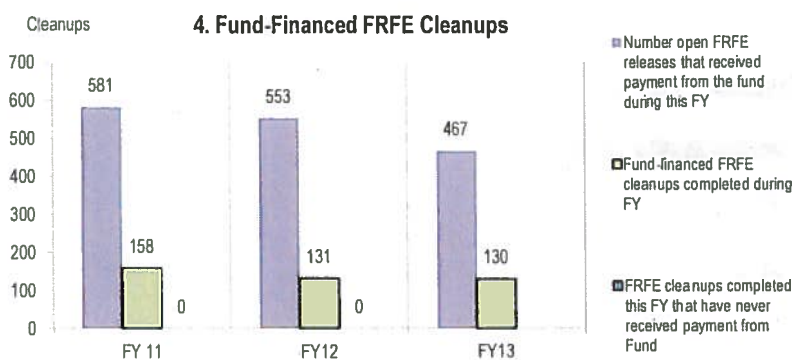
Slowing decline in open cleanups for FRFE UST's. Percentage of open FRFE cleanups that received a fund payment during the FY is declining (down to 51%).

PSTIF provides financial assurance for approximately 80% of the FR UST's in MO. PSTIF is paying claims on approximately 51% (declining) of open FRFE cleanups for any given year. This may be an indicator of a significant number of inactive FRFE cleanups and corresponding backlog/project procedural issues.

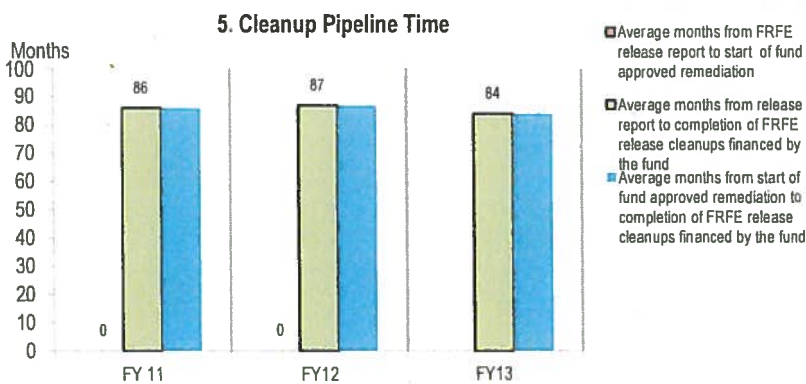
## How quickly is the fund addressing its FRFE backlog?



Consistent but slow reduction in number of open FRFE UST cleanups. Pace of cleanups appears to be slowing. There appears to be a large number of FRFE sites for which no payment was made: potentially indicating inactive sites (deferred, backlog).



Number of FRFE UST cleanups completed annually has declined over the past three years.

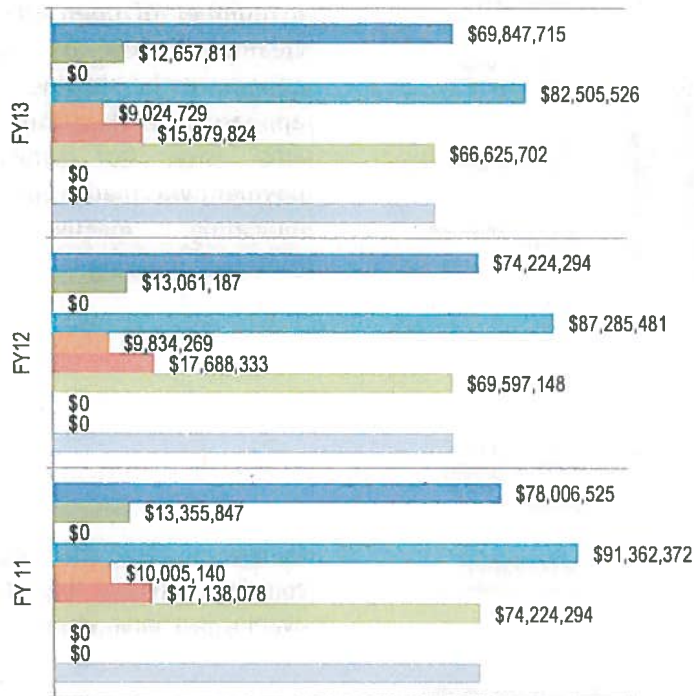


Cleanup pipeline is approximately 7+ years long.

The pace of FRFE cleanup appears to be slowing over time. There also appears to be a large number of sites with no fund activity (deferred?/inactive?/delays? – see text of report).

## Has the fund had enough money to address its FRFE backlog

Chart 6. Balance, Income and Spending



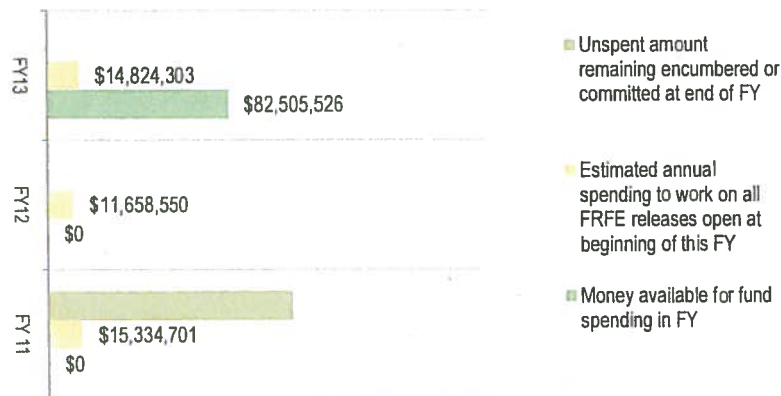
- Cash balance at beginning of year
- Total fund income
- Total dollar value of controls on fund spending during this FY (will be subtracted)
- Money available for fund spending in FY
- FRFE cleanup reimbursements and direct payments to FRFE cleanup contractors
- Total spending
- Unspent balance at end of year
- Additions to end of year balance
- Reductions to end of year balance
- Adjusted end of year balance

Fund financial resources appear stable and more than adequate to address the trending work load exhibited in the previous graphs. Financial resources appear adequate to address an increase in the work load.

Overall, the fund's end of year balances are significantly higher than annual costs. Annual fund income and end of year balances have been reduced slightly over this three year time period. Reduction appears commensurate with reductions in tank population and the accompanying fees going into the fund. There is significant financial latitude to pay for an acceleration of the pace of cleanups.

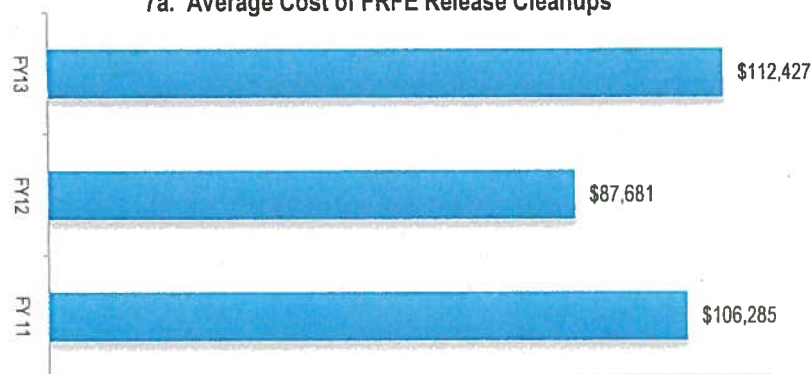
# Has the fund had enough money to address its FRFE backlog?

## 7. Available Funding And Estimated Annual Funding To Address All Open FRFE Sites Concurrently



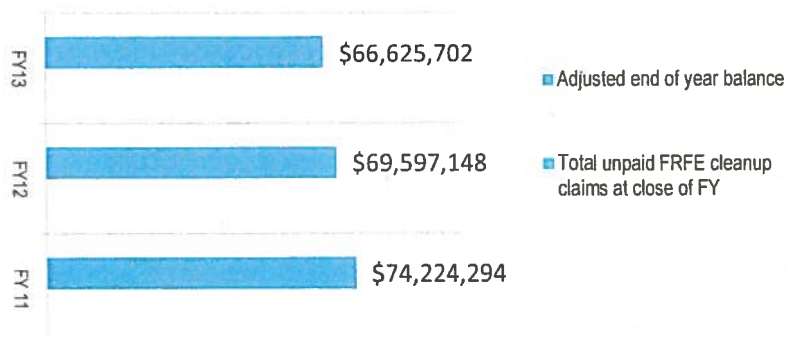
Fund financial resources appear stable and adequate to address the trending work load. Financial resources appear adequate to address an increase in work.

## 7a. Average Cost of FRFE Release Cleanups



Cleanup cost per site appears to be stable at approximately \$100,000.00.

## 8. EOY Cash Balance And Unpaid Claims



PSTIF reports no unpaid claims except those that are currently under review by their adjusters and within the time frames allowed by their processing guidelines. PSTIF also indicates no unpaid FRFE claims due to lack of funds.

Overall, the fund's end of year balances are significantly higher than annual costs. The trustees purposely reserve funds to complete cleanup of all known FRFE releases. This results in significant end-of-year balances and contributes to the fund's financial stability and soundness. Annual fund income/balances have been reduced slightly over this three year time period. There is significant financial latitude to increase the number and speed of cleanups.





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 7

11201 Renner Boulevard  
Lenexa, Kansas 66219

NOV 13 2014

Ms. Carol Eighmey, Executive Director  
Missouri Petroleum Storage Tank Insurance Fund  
P.O. Box 836  
Jefferson City, Missouri 65102

RE: Fiscal Year 2014 Fund Soundness Assessment  
Missouri Petroleum Storage Tanks Insurance Fund

Dear Ms. Eighmey:

The U. S. Environmental Protection Agency, Region 7, Air and Waste Management Division, Storage Tanks & Oil Pollution Branch, has reviewed the data that you have provided in your 2014 State Fund Soundness Workbook on behalf of the Missouri Petroleum Storage Tank Insurance Fund (see attached workbook). The workbook included data from state Fiscal Year 2012 (FY12) through Fiscal Year 2014 (FY14). The data did not indicate significant concerns for the soundness of the fund at this time.

Changes in the fund revenue or legislative changes that could significantly affect the fund could cause us to revisit the situation. There were reportedly no such changes in FY14. Please contact us if such changes are anticipated in the future.

The fund is used as a financial responsibility mechanism for the majority of federally regulated underground storage tanks (USTs) in Missouri and plays a crucial role in reducing the backlog of open UST releases by funding cleanups. Over the past several years the fund has been successful in reducing this backlog. We did note that the fund has begun reporting data indicating the number of sites closed both with and without fund payment (Graph 2 – 80 & 67, respectively). The funds revenue has been relatively stable and readily available for appropriate spending. There were no indications of fund diversions. The fund appears to have enough money to continue to address its backlog and new releases in a timely manner. Cleanup time lines and average cost per cleanup appear to be relatively stable. There were reportedly no carry over claims or expense from one fiscal year to the next.

Thank you for your assistance in this effort. Please contact us if you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Margaret Stockdale".

Margaret Stockdale, Chief  
Storage Tanks & Oil Pollution Branch  
Air & Waste Management Division



Printed on Recycled Paper

Enclosures:

FY14 Fund Soundness Workbook

cc: Mr. Ken Koon, Missouri Department of Natural Resources



# State Fund Soundness Oversight Workbook FY13

v 3.0.0 US EPA Office of Underground Storage Tanks

State	State Fiscal Year		Date Form Completed
	Beginning	Ending	
MO	07/01/13	06/30/14	08/20/14

Fund Manager	Firstname	Lastname	Email	Phone
	Carol	Eighmey	pstif@sprintmail.com	573-522-2352

1. Changes To The Fund During This Period (Click in green cell to see response menu)		Click in box to select your reply	Comment
1	Has there been any change in deductible amounts, expansion or reduction of sites or activities the fund pays for, or change in the amount of money to be paid for a site assessment or cleanup?	None	Type your comment here
2	Has there been any legislative or regulatory change in the past year that affects the fund?	None	Type your comment here
3	Are there any cleanups for which the fund is liable that are not being done, or not progressing as quickly as they otherwise might, because of a funding shortfall in the state tank fund?	No	Type your comment here
4	Has availability of staff affected review of requests for authorization or payment for work on FRFE UST releases?	No	Type your comment here
5	Has your state enacted furloughs, hiring freezes, cutbacks in administrative costs or travel, or other similar actions that could impact the fund?	None	Type your comment here
6	<b>Actuarial Analysis:</b> Has your fund had an actuarial analysis <u>since last year</u> ? If yes, please forward a copy of the latest one to your EPA regional office contact with this workbook file.	Yes	Type your comment here
7	Costs to implement the UST operator training program are now better quantified and will be less than previously projected.		

Enter your data in the green cells

Enter your comments in un-shaded cells

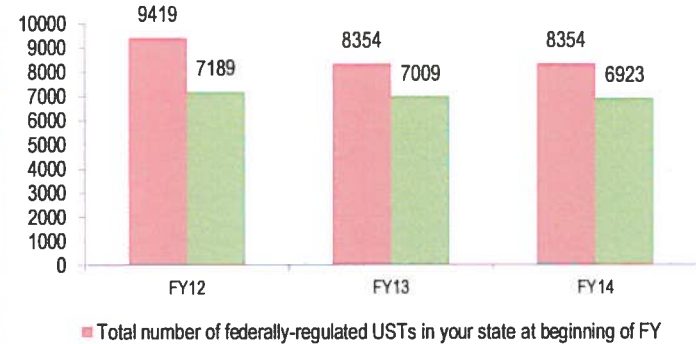
Yellow cells display data calculated by the workbook



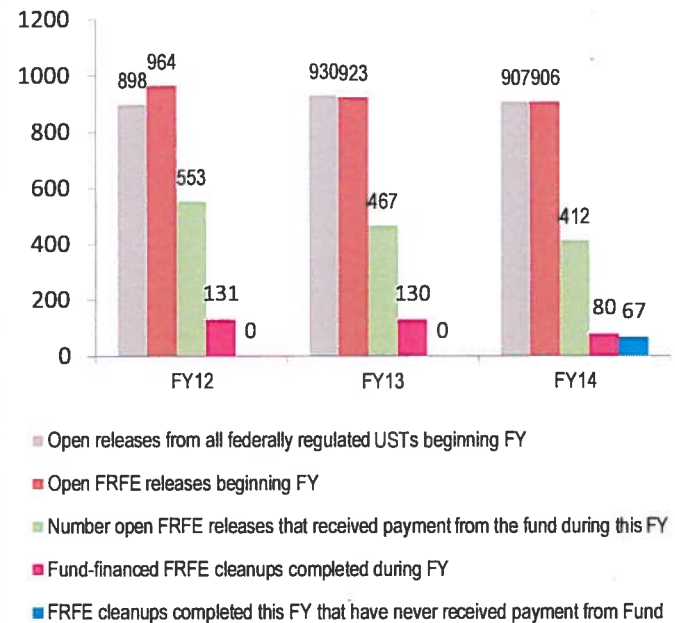
## 2. What share of the state's open UST releases does the fund cover?

Federally Regulated USTs Covered By This Fund		FY12	FY13	FY14
8	Total number of federally-regulated USTs in your state at beginning of FY	9419	8354	8354
9	Number of federally-regulated fund-eligible (FRFE) USTs the fund covers at beginning of FY	7189	7009	6923
9a	What's included in the number of USTs you entered in FY13 Line 9? <i>Click in green cell to select answer from dropdown list&gt;&gt;</i>			Only federally regulated USTs
10	Please note: The figure reported in Line 8 last year was "end-of-year" instead of "beginning-of-year." For FY13, Line 8 should have been 8502 (9335-838). Data for Line 8 taken from DNR monthly reports.			
Fund's Share Of Open Releases From Federally Regulated USTs		FY12	FY13	FY14
11	Open releases from all federally regulated USTs at beginning of FY	898	930	907
12	Open FRFE releases beginning FY	964	923	906
13	Number open FRFE releases that received payment from the fund during this FY	553	467	412
14	Data for Line 11 taken from DNR monthly report. PLEASE NOTE: Line 12 includes FRFE sites where USTs are being removed and the DNR has not assigned a "Release Number;" these are not included in DNR's count in Line 11. From other database queries and analysis, it is reasonable to assume that ~78% of all open releases are eligible for PSTIF benefits.			

### 1. USTs Covered By The Fund



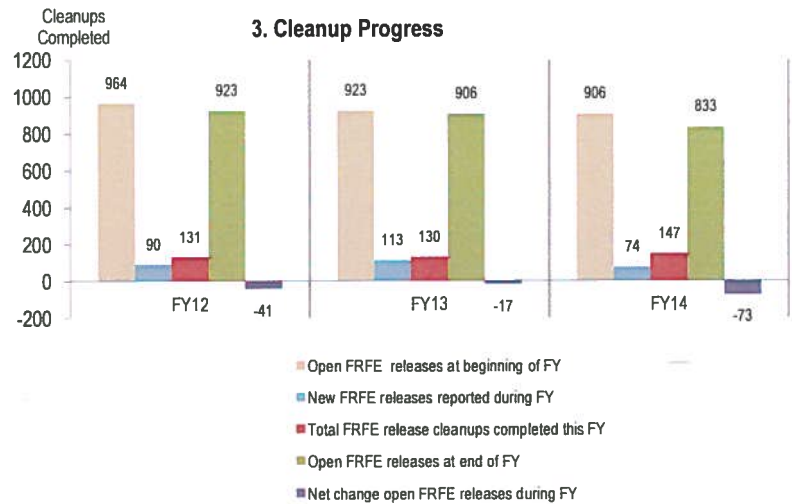
### 2. The Fund's Share Of Open UST Releases



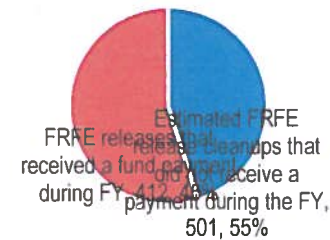


### 3. How quickly is the fund addressing its open FRFE releases?

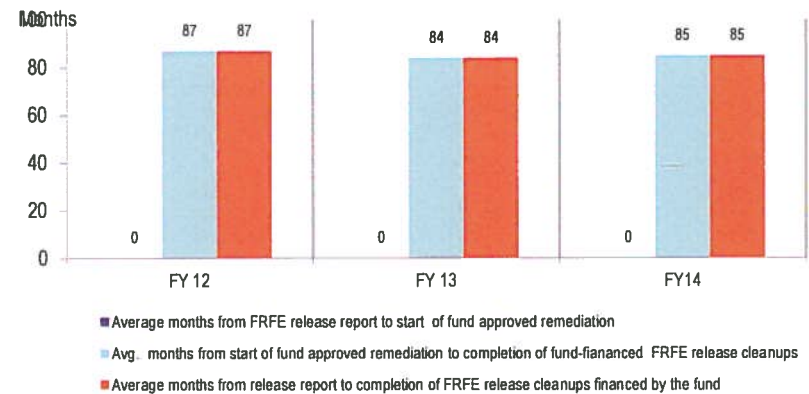
Cleanup Progress		FY12	FY13	FY14
15	Open FRFE releases at beginning of FY	964	923	906
16	New FRFE releases reported during FY	90	113	74
17	Total FRFE release cleanups completed this FY	131	130	147
18	Open FRFE releases at end of FY	923	906	833
19	Net change open FRFE releases during FY	-41	-17	-73
20	Estimated FRFE release cleanups that did not receive a payment during the FY	501	569	501
20a	Optional: Click in pink cell to refine estimate of FRFE release cleanups that did not receive a payment during the FY (refined estimate appears in yellow cell) >>>			Refine unpaid estimate
	Refined estimate of unpaid FRFE cleanups		0	501
21	State comments on Cleanup Progress:			
Fund-Financed FRFE Cleanups		FY 12	FY 13	FY14
22	Number open FRFE releases that received payment from the fund during this FY	553	467	412
23	Fund-financed FRFE cleanups completed during FY	131	130	80
24	FRFE cleanups completed this FY that have never received payment from Fund	0	0	67
25	For FY12 and FY13, we did not separate the number of FRFE cleanups completed with and without payment. For FY14, we did. Therefore, Lines 23 and 24 should not be compared to prior fiscal years.			
Cleanup Pipeline (use only sites closed in FY)		FY 12	FY 13	FY14
25a	How do you mark <b>start</b> of release cleanup?	Fund does not track cleanup start date		
26	Average months from FRFE release report to <b>start</b> of fund approved remediation	0	0	0
27	Average months from release report to completion of FRFE release cleanups financed by the fund	87	84	85
28	Avg. months from start of fund approved remediation to completion of fund-financed FRFE release cleanups	87	84	85
29	State comments on Cleanup Pipeline:			



#### 4. Paid and Estimated Unpaid FRFE Release Cleanups FY 14



#### 5. Cleanup Pipeline Time



Cleanup start: Fund does not track cleanup start date

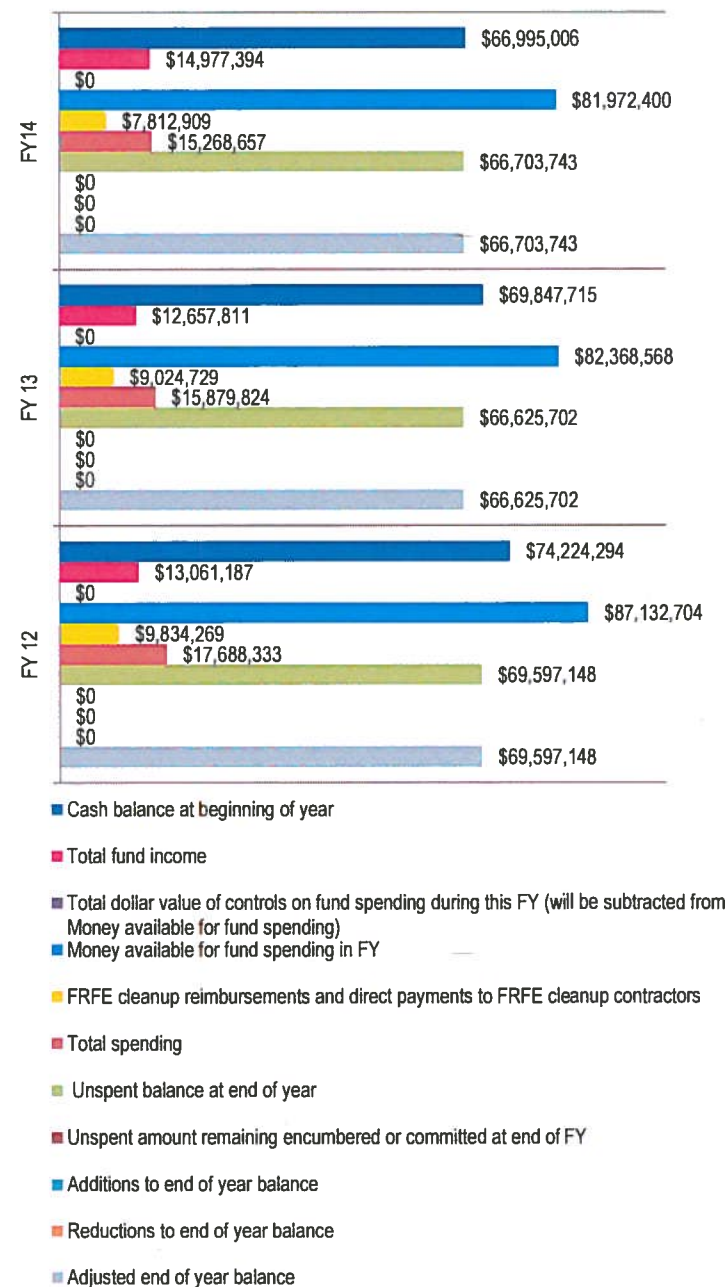




#### 4. Has the fund had enough money to address its open FRFE releases?

Balance and Income		FY 12	FY 13	FY14
30	Cash balance at beginning of year	\$74,224,294	\$69,847,715	\$66,995,006
31	Product taxes, [fees, etc.]	\$11,230,676	\$10,964,756	\$11,107,506
32	Per tank, per facility fees, etc.	\$1,318,782	\$1,271,119	\$1,328,124
33	Other fund income <i>during this FY</i> (will be added)	\$511,729	\$421,936	\$2,541,764
34	Total fund income	\$13,061,187	\$12,657,811	\$14,977,394
35	Beginning cash balance + Total fund income	\$87,285,481	\$82,505,526	\$81,972,400
36	Total dollar value of controls on fund spending during this FY (will be subtracted from <i>Money available for fund spending</i> )	\$0	\$0	\$0
37	Money available for fund spending in FY	\$87,132,704	\$82,368,568	\$81,972,400
38	<i>Enter your comments on balance and income here:</i>			
Expenses		FY 12	FY 13	FY14
39	FRFE cleanup reimbursements and direct payments to FRFE cleanup contractors	\$9,834,269	\$9,024,729	\$7,812,909
40	Third-party FRFE claims paid	\$8,709	\$67,034	\$94,890
41	All other fund spending	\$7,692,578	\$6,651,103	\$7,360,858
42	Transfers out of the fund <i>during this FY</i> (will be subtracted from <i>Money available for fund spending</i> )	\$152,777	\$136,958	\$0
43	Total spending	\$17,688,333	\$15,879,824	\$15,268,657
44	Unspent balance at end of year	\$69,597,148	\$66,625,702	\$66,703,743
44a	Unspent amount <u>remaining</u> encumbered or committed at end of FY		\$0	\$0
45	<i>Enter your comments on Expenses here:</i>			
Adjustments to End of Year Balance		FY 12	FY 13	FY14
46	Additions to end of year balance	\$0	\$0	\$0
47	Reductions to end of year balance	\$0	\$0	\$0
48	Adjusted end of year balance	\$69,597,148	\$66,625,702	\$66,703,743
49	<i>Enter your comments on Adjustments to End of Year Balance here</i>			

Chart 6. Balance, Income and Spending



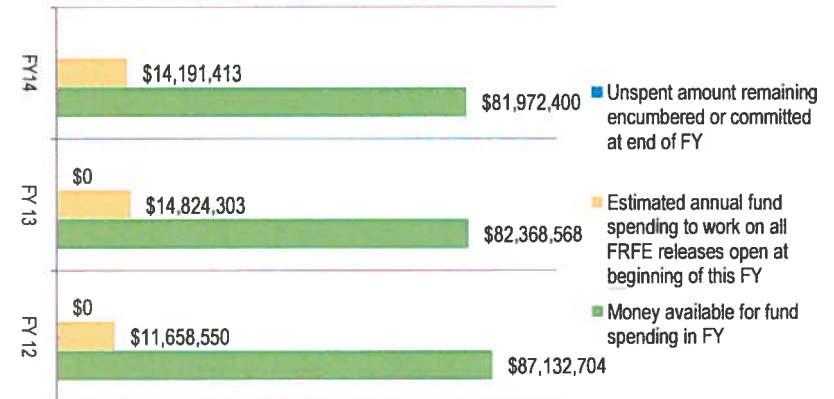




## 5. Has the fund had enough money to address its open FRFE releases?

Money Available To Spend		FY 12	FY 13	FY14
50	Money available for fund spending in FY	\$87,132,704	\$82,368,568	\$81,972,400
50a	Unspent amount <u>remaining</u> encumbered or committed at end of FY		\$0	\$0
51	Enter comments here:			
Cost Of FRFE Cleanups		FY 12	FY 13	FY14
52	Average cost of fund-financed FRFE release cleanups completed this FY	\$87,681	\$112,427	\$110,952
53	Average additional post-completion costs of FRFE release cleanups completed this FY	\$0	\$0	\$0
54	Estimated annual fund spending to work on all FRFE releases open at beginning of this FY	\$11,658,550	\$14,824,303	\$14,191,413
55	Enter comments here:			
Unpaid FRFE Claims		FY 12	FY 13	FY14
56	Face value of all FRFE cleanup claims awaiting approval at close of FY	\$0	\$0	\$0
57	Value of all FRFE cleanup claims approved for payment but not paid by close of FY	\$0	\$0	\$0
58	Face value of all unsettled third-party FRFE claims at close of FY	\$0	\$0	\$0
59	Total unpaid FRFE cleanup claims at close of FY	\$0	\$0	\$0
60	Enter comments here:			

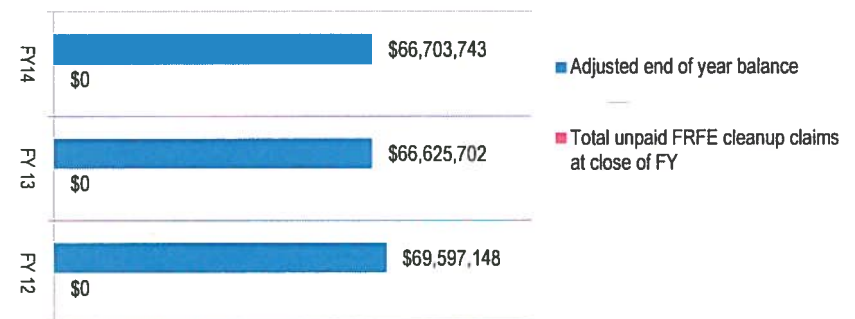
## 7. Available Funding And Estimated Annual Funding To Address All Open FRFE Sites Concurrently



### 7a. Average cost of fund-financed FRFE release cleanups completed this FY



## 8. EOY Cash Balance And Unpaid Claims







**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 7**

11201 Renner Boulevard  
Lenexa, Kansas 66219

**MAY - 6 2016**

Ms. Carol Eighmey, Executive Director  
Missouri Petroleum Storage Tank Insurance Fund  
P.O. Box 836  
Jefferson City, Missouri 65102

RE: Fiscal Year 2015 Fund Soundness Assessment  
Missouri Petroleum Storage Tank Insurance Fund

Dear Ms. Eighmey:

The U. S. Environmental Protection Agency, Region 7, Air and Waste Management Division, Chemical & Oil Release Prevention Branch, has reviewed the data that you have provided in your 2015 State Fund Soundness Workbook on behalf of the Missouri Petroleum Storage Tank Insurance Fund (see attached workbook). At this time, we have no questions or comments regarding the data presented. However, we reserve the right to revisit the subject matter and this conclusion in the future. Thank you for your assistance in this effort. Please contact us if you have any questions or comments.

Sincerely,

A handwritten signature in blue ink, which appears to read "Scott Hayes", is written over a circular stamp. The signature is fluid and cursive.

Scott Hayes  
Chief  
Chemical & Oil Release Prevention Branch  
Air & Waste Management Division

Enclosures: FY15 Fund Soundness Workbook (Tables & Graphs Only)





# State Fund Soundness Oversight Workbook FY15

v 3.1 US EPA Office of Underground Storage Tanks

State	State Fiscal Year		Date Form Completed
	Beginning	Ending	
MO	07/01/14	06/30/15	11/04/15

State Fund Manager	Firstname	Last Name <i>Required field</i>	Email <i>Required field</i>	Phone
	Carol	Bighmey	psill@sprintmail.com	543-522-2352

Enter your data in the green cells

Enter your comments in un-shaded cells

Yellow cells display data calculated by the workbook

Gold cells display data your state reported via LUST4

1. Changes To The Fund During This Period (Click in green cell to see response menu)	Click in box to select your reply	Comment
Has there been any change in deductible amounts, expansion or reduction of sites or activities the fund pays for, or change in the amount of money to be paid for a site assessment or cleanup?	None	Type your comment here
Has there been any legislative or regulatory change in the past year that affects the fund?	Enacted	Rule changes made to try and expedite cleanups. Specifically, consultants now required to use site conceptual model to prepare site characterization plans and to submit schedule with work plans. Also, invoices now must be submitted within two years of when work was done.
Are there any cleanups for which the fund is liable that are not being done, or not progressing as quickly as they otherwise might, because of a funding shortfall in the state tank fund?	No	Type your comment here
Has availability of staff affected review of requests for authorization or payment for work on FRFE UST releases?	No	Type your comment here
Has your state enacted furloughs, hiring freezes, cutbacks in administrative costs or travel, or other similar actions that could impact the fund?	None	Type your comment here
<b>Actuarial Analysis:</b> Has your fund had an actuarial analysis since last year? If yes, please forward a copy of the latest one to your EPA regional office contact with this workbook file.	Yes	Type your comment here
<b>State required reserve or minimum balance:</b> Does your state require your fund to maintain a state-set reserve amount, a minimum balance or any other amount of the fund's balance? (If yes, please note the amount in the comment field at right.)	No	Type your comment here

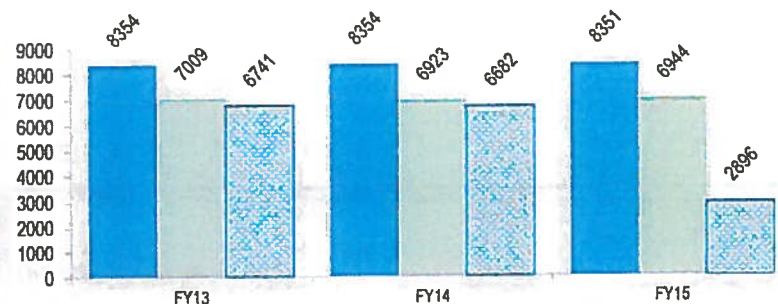
Type general comments and supplemental background information here



## 2. What share of the state's open UST releases does the fund cover?

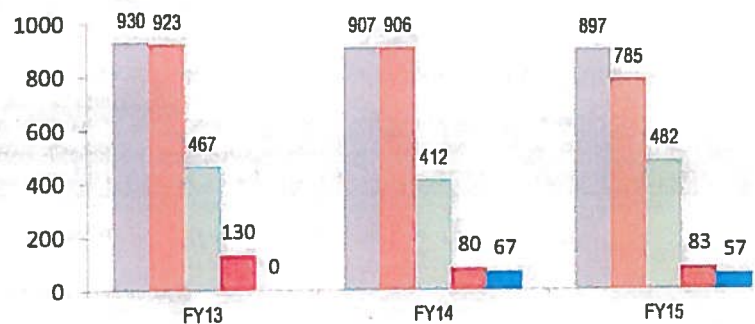
Federally Regulated USTs Covered By This Fund		FY13	FY14	FY15
8	Total number of federally-regulated USTs in your state at beginning of FY	8354	8354	8351
9	Number of federally-regulated fund-eligible (FRFE) USTs the fund covers at beginning of FY	7009	6923	6944
9a	What's included in the number of USTs you entered in FY13 Line 9? <b>Click in green cell to select answer from dropdown list&gt;&gt;</b>	Only federally regulated USTs		
10	Error In FY13 data in line 8 was reported last year; was not corrected and is still inaccurate. Number of federally-regulated USTs at beginning FY13 should have been 8502. All data for line 8 taken from DNR monthly reports. Only in-use USTs are reported in lines 8 and 9; PSTIF also provides "coverage" for some out-of-use tanks, if o/o buys extended reporting period.			
Fund's Share Of Open Releases From Federally Regulated USTs		FY13	FY14	FY15
11	Open releases from all federally regulated USTs at beginning of FY	930	907	897
12	Open FRFE UST releases beginning FY	923	906	785
13	Number open FRFE UST releases that received payment from the fund during this FY	467	412	482
14	Data for FY15 is more accurate than for prior years. Data for line 11 is fro MDNR monthly report. See "My Working Notes" for info on how FY15 figure for line 12 was calculated.			

### 1. USTs Covered By The Fund



- Total number of federally-regulated USTs in your state at beginning of FY
- Number of federally-regulated fund-eligible (FRFE) USTs the fund covers at beginning of FY
- LUST4 Federally Regulated USTs @ end of prior EPA year

### 2. The Fund's Share Of Open UST Releases



- Open releases from all federally regulated USTs beginning FY
- Open FRFE UST releases beginning FY
- Number open FRFE UST releases that received payment from the fund during this FY
- Fund-financed FRFE cleanups completed during FY
- FRFE cleanups completed this FY that have never received payment from Fund



### 3. How quickly is the fund addressing its open FRFE releases?

Cleanup Progress		FY13	FY14	FY15
5	Open FRFE releases at beginning of FY	923	906	785
6	New FRFE releases reported during FY	113	74	145
7	Total FRFE release cleanups completed this FY	130	147	140
8	Open FRFE releases at end of FY	906	833	790
19	Net change open FRFE releases during FY	-17	-73	5
20	Estimated FRFE release cleanups that did not receive a payment during the FY	569	501	391
2a	Optional: Click in pink cell to refine estimate of unpaid FRFE release cleanups t >>>		Refine unpaid estimate	
	State-refined estimate of unpaid FRFE cleanups	0	501	391

Can't figure out why without spending a lot of time, but it is not accurate to conclude that 847 FRFE cleanups received no money in FY15.

Fund-Financed FRFE Cleanups		FY13	FY14	FY15
2	Number open FRFE releases that received payment from the fund during this FY	467	412	482
3	Fund-financed FRFE cleanups completed during FY	130	80	83
4	FRFE cleanups completed this FY that have never received payment from Fund	0	67	57

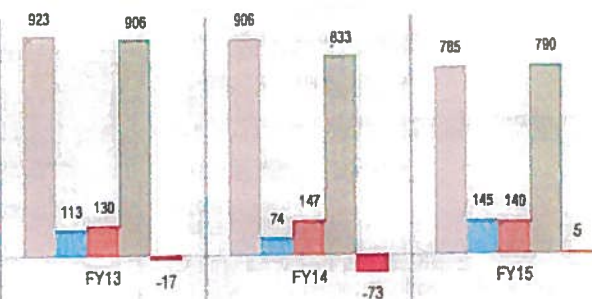
State comments on Fund-Financed FRFE Cleanups:

Cleanup Pipeline (use only sites closed in FY)		FY13	FY14	FY15
5a	How do you mark start of release cleanup?			
6	Average months from FRFE release report to start of fund approved remediation	0	0	0
7	Average months from release report to completion of FRFE release cleanups financed by the fund	84	85	99
8	Avg. months from start of fund approved remediation to completion of fund-financed FRFE release cleanups	84	85	99

State comments on Cleanup Pipeline:

Cleanups Completed

#### 3. FRFE Cleanup Progress



Open FRFE releases at beginning of FY

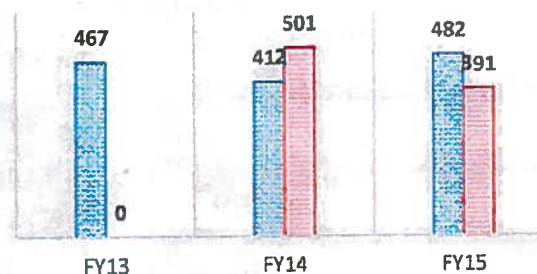
New FRFE releases reported during FY

Total FRFE release cleanups completed this FY

Open FRFE releases at end of FY

Net change open FRFE releases during FY

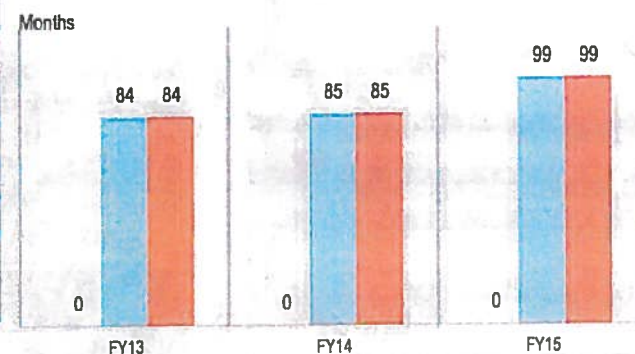
#### 4. Paid & Estimated Unpaid FRFE Cleanups



Number open FRFE releases that received payment from the fund during this FY

State-refined estimate of unpaid FRFE cleanups

#### 5. Cleanup Pipeline Time



Average months from FRFE release report to start of fund approved remediation

Avg. months from start of fund approved remediation to completion of fund-financed FRFE release cleanups

Average months from release report to completion of FRFE release cleanups financed by the fund

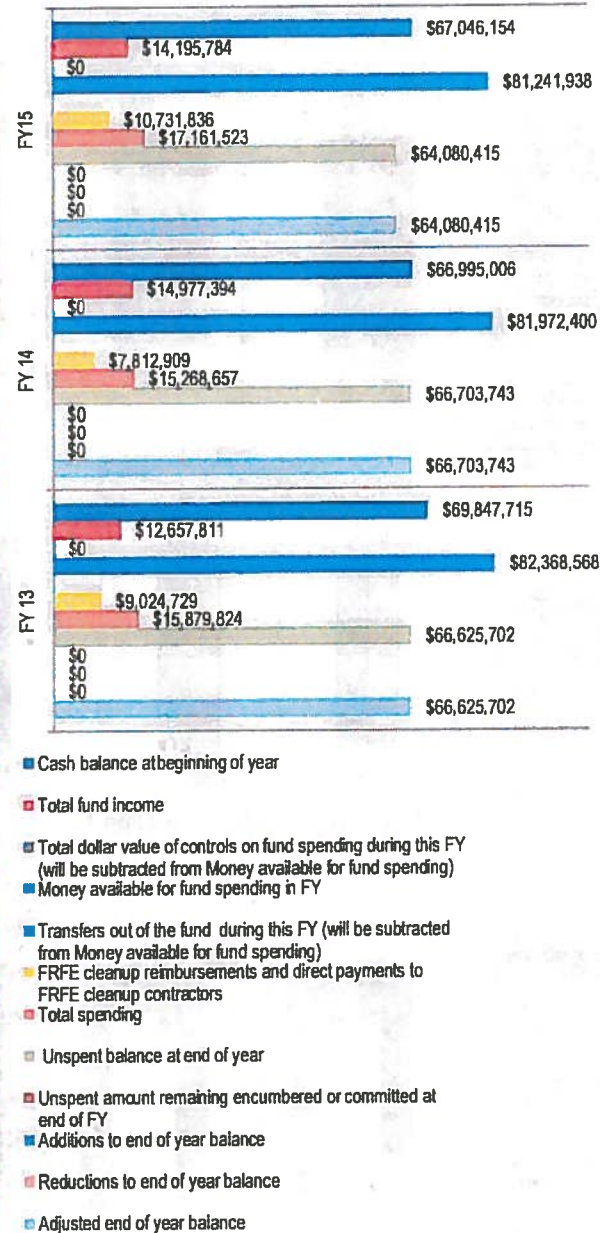
Cleanup start:



#### 4. Has the fund had enough money to address its open FRFE releases?

Balance and Income		FY 13	FY14	FY15
30	Cash balance at beginning of year	\$69,847,715	\$66,995,006	\$67,046,154
31	Product taxes, [fees, etc.]	\$10,964,756	\$11,107,506	\$11,195,304
32	Per tank, per facility fees, etc.	\$1,271,119	\$1,328,124	\$1,281,158
33	Other fund income <i>during this FY</i> (will be added)	\$421,936	\$2,541,764	\$1,719,322
34	Total fund income	\$12,657,811	\$14,977,394	\$14,195,784
35	Beginning cash balance + Total fund income	\$82,505,526	\$81,972,400	\$81,241,938
36	Total dollar value of controls on fund spending during this FY (will be subtracted from <i>Money available for fund spending</i> )	\$0	\$0	\$0
37	Money available for fund spending in FY	\$82,368,568	\$81,972,400	\$81,241,938
38	Subrogation and double-dip recoveries entered as "Other income."			
Expenses		FY 13	FY 14	FY15
39	FRFE cleanup reimbursements and direct payments to FRFE cleanup contractors	\$9,024,729	\$7,812,909	\$10,731,836
40	Third-party FRFE claims paid	\$67,034	\$94,890	\$111,351
41	All other fund spending	\$6,651,103	\$7,360,858	\$6,318,336
42	Transfers out of the fund <i>during this FY</i> (will be subtracted from <i>Money available for fund spending</i> )	\$136,958	\$0	\$0
43	Total spending	\$15,879,824	\$15,268,657	\$17,161,523
44	Unspent balance at end of year	\$66,625,702	\$66,703,743	\$64,080,415
44a	Unspent amount remaining encumbered or committed at end of FY		\$0	\$0
45	Enter your comments on Expenses here:			
Adjustments to End of Year Balance		FY 12	FY 13	FY14
46	Additions to end of year balance	\$0	\$0	\$0
47	Reductions to end of year balance	\$0	\$0	\$0
48	Adjusted end of year balance	\$66,625,702	\$66,703,743	\$64,080,415
49	Enter your comments on Adjustments to End of Year Balance here			

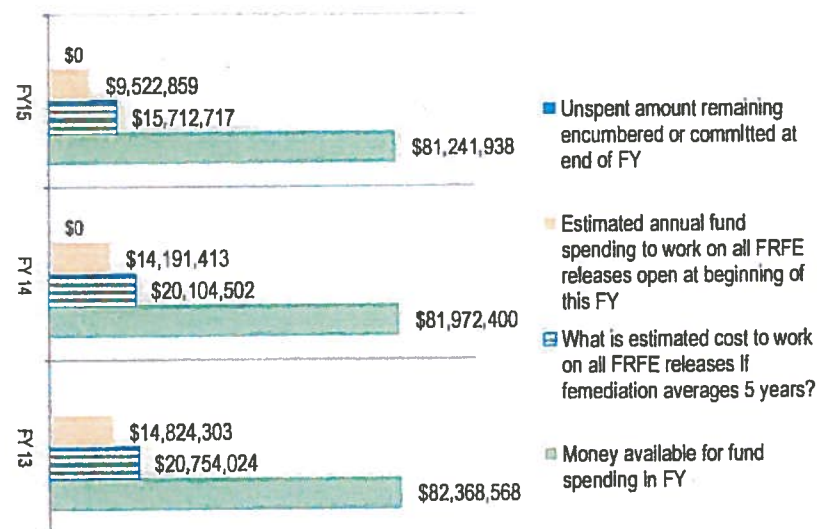
Chart 6. Balance, Income and Spending



## 5. Has the fund had enough money to address its open FRFE releases?

Money Available To Spend		FY 13	FY 14	FY15
0	Money available for fund spending in FY	\$82,368,568	\$81,972,400	\$81,241,938
2a	Unspent amount remaining encumbered or committed at end of FY		\$0	\$0
1	Enter comments here:			
Cost Of FRFE Cleanups		FY 13	FY 14	FY15
2	Average cost of fund-financed FRFE release cleanups completed this FY	\$112,427	\$110,952	\$100,081
3	Average additional post-completion costs of FRFE release cleanups completed this FY	\$0	\$0	\$0
4	Estimated annual fund spending to work on all FRFE releases open at beginning of this FY	\$14,824,303	\$14,191,413	\$9,522,859
	Enter comments here:			
Unpaid FRFE Claims		FY 13	FY 14	FY15
6	Face value of all FRFE cleanup claims awaiting approval at close of FY	\$0	\$0	\$0
7	Value of all FRFE cleanup claims approved for payment but not paid by close of FY	\$0	\$0	\$0
8	Face value of all unsettled third-party FRFE claims at close of FY	\$0	\$0	\$0
9	Total unpaid FRFE cleanup claims at close of FY	\$0	\$0	\$0
10	Enter comments here:			

## 7. Available Funding And Estimated Annual Funding To Address All Open FRFE Sites Concurrently



### 7a. Average cost of fund-financed FRFE release cleanups completed this FY



## 8. EOY Cash Balance And Unpaid Claims

